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Agenda Item 3a

December 13, 2011

TO: MEMBERS OF THE RISK MANAGEMENT COMMITTEE

- I. **SUBJECT:** Office of Enterprise Risk Management – Status Update
- II. **PROGRAM:** Enterprise
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

Since the last report, the OERM has continued to make strides in integrating consideration of risk into CalPERS governance processes, completing revisions to Board agenda item templates, budgeting documents, and planning processes. In addition, the OERM has begun work on developing risk appetite statements detailing the acceptable amount of risk in selected focus areas. These statements will help set clear expectations for risk performance and facilitate discussion of needed risk mitigation strategies.

The OERM has also made significant progress on other areas of focus. This information is included in the attached Action Plan Update (Attachment 1).

V. STRATEGIC PLAN:

This item is part of the Strategic Plan, Enterprise Priority 3 – Building Internal Strength. Specifically, it supports objective 3, to institute an Enterprise Risk Management function to effectively evaluate, monitor, and manage risk across the organization.

VI. RESULTS/COSTS:

N/A

Members of the Risk Management Committee
December 13, 2011
Page 2 of 2

LARRY JENSEN
Chief Risk Officer
Office of Enterprise Risk Management

RUSSELL G. FONG
Acting Chief Financial Officer

Attachment